

Message Text

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PAGE 01 STATE 226981
ORIGIN JUSE-00

INFO OCT-01 NEA-10 ISO-00 L-03 EB-08 COME-00 TRSE-00
/022 R

DRAFTED BY DOJ:REDELMAN:MJR
APPROVED BY L:MFELDMAN
L/NEA - T. M. PEAY
NEA/ARP - MR. MERRICK
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R 072019Z SEP 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 226981

E.O. 11652: GDS

TAGS: SA, PGOV, EFIN

SUBJECT: WAIVER OF SAUDI ARABIA BANKING CONTROL LAW

1. THE DEPT OF JUSTICE HAS WRITTEN THE LEGAL ADVISER REQUESTING DEPT'S COOPERATION CONCERNING AN ILLICIT PAYMENT INVESTIGATION IN THE SALE OF GRUMMAN GULFSTREAM II JETS IN SAUDI ARABIA. DEPT OF JUSTICE HAS ASKED THAT THE EMBASSY REQUEST THE GOVERNMENT OF SAUDI ARABIA TO WAIVE ITS BANK SECRECY LAW IN REGARD TO A SPECIFIC BANK ACCOUNT. ACCORDINGLY, EMBASSY IS REQUESTED TO DELIVER A NOTE OR LETTER ALONG THE FOLLOWING LINES TO THE MINISTER OF FINANCE AND NATIONAL ECONOMY.

2. QUOTE. COMPLIMENTARY OPENING. THE UNITED STATES DEPARTMENT OF JUSTICE IS INVESTIGATING ALLEGED PAYMENTS IN VIOLATION OF UNITED STATES CRIMINAL LAW BY AMERICAN CORPORATIONS TO FOREIGN OFFICIALS AS PART OF A CONTINUING EFFORT TO ENFORCE UNITED STATES LAWS AND REGULATIONS.
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PURSUANT TO THIS INVESTIGATION, A FEDERAL GRAND JURY HAS ISSUED A SUBPOENA CALLING FOR THE PRODUCTION OF RECORDS OF A BRANCH OF AN AMERICAN BANK LOCATED IN SAUDI ARABIA COVERING THE PERIOD OF 1975 TO THE PRESENT. THESE DOCUMENTS ARE RECORDS OF AN ACCOUNT OF SUSPECTED RECIPIENTS IN SAUDI ARABIA OF PAYMENTS MADE BY THE AMERICAN COMPANIES.

THE DEPARTMENT OF JUSTICE HAS REASON TO BELIEVE THAT THE BANK RECORDS REQUESTED HAVE A DIRECT BEARING ON THE PENDING GRAND JURY INVESTIGATION. HOWEVER, THE BANKS HAVE ADVISED DEPARTMENT OF JUSTICE THAT THEY BELIEVE THEY ARE PROHIBITED FROM PRODUCING THE RECORDS SOUGHT UNDER THE PROVISIONS OF THE SAUDI ARABIAN BANKING LAW.

ACCORDINGLY, THE EMBASSY RESPECTFULLY REQUESTS THAT, IN THE INTEREST OF JUSTICE, THE MINISTER OF FINANCE AND NATIONAL ECONOMY WAIVE THE APPLICATION OF THE BANKING LAW IN REGARD TO THE FOLLOWING BANK ACCOUNT IN ORDER THAT THE REQUIRED INFORMATION MAY BE MADE AVAILABLE TO DEPARTMENT OF JUSTICE.

FIRST NATIONAL CITY BANK ACCOUNT NUMBER 3081-3 IN THE NAME OF CHARLES J. HAMWEY, GENERAL MANAGER, SAUDI INTERNATIONAL TRADING ESTABLISHMENT (SITE), POST OFFICE BOX 2766, JEDDAH, SAUDI ARABIA.

COMPLIMENTARY CLOSING. END QUOTE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 07 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE226981
Document Source: CORE
Document Unique ID: 00
Drafter: REDELMAN:MJR
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780366-0471
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780992/aaaacydq.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e0f16856-c288-dd11-92da-001cc4696bcc
Office: ORIGIN JUSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1516106
Secure: OPEN
Status: NATIVE
Subject: WAIVER OF SAUDI ARABIA BANKING CONTROL LAW
TAGS: PGOV, EFIN, SA
To: JIDDA
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/e0f16856-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014